

Notice No.: 00-005
Date: March 27, 2000
Applies to: All Employers
Subject: Potential Contribution Rate Change

Potential Pension Contribution Rate Changes

The Chairs of the Fiscal Committees of the Washington State Legislature have notified the Department of Retirement Systems (DRS) that the contribution rates for the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS) and the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) will likely change, **effective May 1, 2000**. (See attached letter.) However, due to the unique circumstances of this special session, it is uncertain whether a budget agreement will be reached before the end of March. If these circumstances do not allow for the required 30 day advance notice to employers prior to the effective date of the new rates, the budget bill will also include a waiver of the 30 day notice requirement for these particular changes. The following chart of proposed rates is provided so you can prepare for these changes, pending official confirmation from DRS. As soon as the rates are official, we will send all employers another Notice and post the new rates in the Employer section of the DRS Web site at: <http://www.wa.gov/DRS/employer/index.htm>.

DRS Administrative Rate Changes

In order to fund the implementation of legislation passed in the 2000 Session and expected to become law, the Department of Retirement Systems' (DRS) administrative rate will likely increase to 0.23 percent, **effective May 1, 2000**. The administrative rate for LEOFF employers will likely increase to 0.25 percent **from May 1, 2000 through June 30, 2000**. This difference is to complete the funding of a LEOFF Plan 1 medical study by the Office of the State Actuary, authorized in the 1999 legislative session.

Questions?

Please contact Employer Support Services at 1-800-547-6657 or (360) 664-7200 if you have any questions regarding this DRS Notice.

John F. Charles
Director

Attachment

Potential Contribution Rates Effective May 1, 2000 (Rates Proposed to Change are Shown in Bold)				
	Plan 1		Plan 2	
Public Employees' Retirement System (PERS)	<u>Percent</u>	<u>Rate</u>	<u>Percent</u>	<u>Rate</u>
Member Contribution Rate	6.00%	0.0600	1.54%	0.0154
Employer Contribution Rate	3.81% *	0.0381*	3.81% *	0.0381*
PERS State Government Elected Officials				
Member Contribution Rate	7.50%	0.0750	1.54%	0.0154
Employer Contribution Rate	5.60% *	0.0560*	3.81% *	0.0381*
Teachers' Retirement System (TRS)				
Member Contribution Rate	6.00%	0.0600	1.85%	0.0185
Employer Contribution Rate ***	6.26% *	0.0626*	6.26% *	0.0626*
TRS State Government Elected Officials				
Member Contribution Rate	7.50%	0.0750	1.85%	0.0185
Employer Contribution Rate ***	6.26% *	0.0626*	6.26% *	0.0626*
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)				
Cities, Counties, Fire Districts, etc.				
Member Contribution Rate	6.00%	0.0600	5.41%	0.0541
Employer Contribution Rate	6.25% **	0.0625**	3.50% **	0.0350 **
State Contribution Rate	X	X	2.16%	0.0216
Ports and Universities				
Member Contribution Rate	X	X	5.41%	.0541
Employer Contribution Rate	X	X	5.66% **	.0566**
Washington State Patrol Retirement System (WSPRS)				
Member Contribution Rate	7.00%	0.0700	X	X
Employer Contribution Rate	0.00%	0.0000	X	X

* Includes an administrative expense rate of 0.23 percent.

** Includes an administrative expense rate of 0.25 percent.

*** Rates are the same for TRS Plan 3.

2000 DRS Notices

For a copy of a Notice, call (360) 664-7170 or 1-800-547-6657, or
access on the DRS Web site at <http://www.wa.gov/DRS/employer>.

Notice No.	Applies to/ Subject Matter
00-001	PERS, LEOFF, WSPRS and JRS Employers Members' Annual Statements and Sequencing Information
00-002	SERS Employers Reporting Requirements and Education Activities
00-003	DCP Employers DCP Reporting Requirements and Employer Training
00-004	All Employers Statewide Training
00-005	All Employers Potential Contribution Rate Changes